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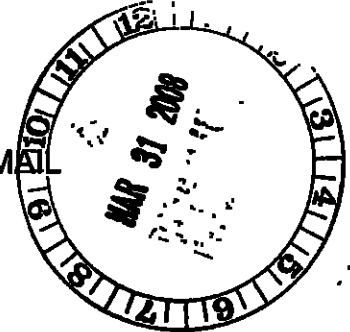


Tulare County
ECONOMIC DEVELOPMENT
CORPORATION

March 28, 2008

The Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, S.W.
Washington, D.C. 20423

FILED
MAR 31 2008
VIA EXPRESS MAIL
**SURFACE
TRANSPORTATION BOARD**



RE: Docket No. AB-398 (Sub-No. 7X), *San Joaquin Valley Railroad
Company – Abandonment Exemption in Tulare County, CA
(Between Strathmore and Jovista)*

Dear Acting Secretary Quinlan;

Enclosed for filing please find the original and 10 copies of Tulare County Economic Development Corporation's Protest in the above referenced matter, on behalf of itself and the Tulare County Association of Governments.

Our filing includes a request for trail use/rail banking under 49 CFR 1152.29. A \$200 filing fee, as required to accompany such request, is also enclosed.

Kindly acknowledge receipt by date stamping the enclosed duplicate copy of this letter and return in the enclosed self-addressed stamped envelope.

Sincerely,

Paul Saldana
President and Chief Executive Officer

ENTERED
Office of Proceedings

MAR 31 2008

Part of
Public Record

Enclosure

c.c. Tulare County Association of Governments
San Joaquin Valley Railroad
Attorney Louis E. Gitomer

FEE RECEIVED

MAR 31 2008

**SURFACE
TRANSPORTATION BOARD**

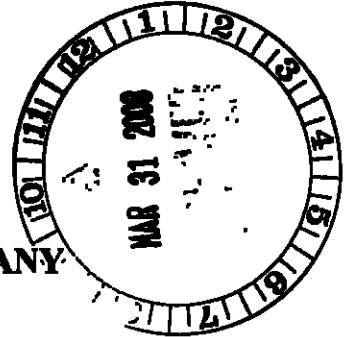
An Accredited Economic Development Organization

4500 S. Laspina St., Tulare, CA 93274 Tel., 559/688-3388 Fax, 559/688-1406 www.edctulare.com

The People to Grow Your Business

BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C.

Docket AB-398 (Sub-No. 7X)



**SAN JOAQUIN VALLEY RAILROAD COMPANY
ABANDONMENT EXEMPTION
IN TULARE COUNTY, CA
(BETWEEN STRATHMORE AND JOVISTA)**

PROTEST

FEE RECEIVED
MAR 31 2008
SURFACE
TRANSPORTATION BOARD

BY:

Tulare County Economic Development Corporation
4500 S. Laspina Street
Tulare, CA 93274
Tel: (559) 688-3388
Fax: (559) 688-1406
paul@edctulare.com

ENTERED
Office of Proceedings

MAR 31 2008

Part of
Public Record

AND:

Tulare County Association of Governments
5961 S. Mooney Boulevard
Visalia, CA 93277
Tel: (559) 733-6291
Fax: (559) 733-6720
www.tularecog.org
TSmalley@co.tulare.ca.us

**BEFORE THE
SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C.**

Docket AB-398 (Sub-No. 7X)

**SAN JOAQUIN VALLEY RAILROAD COMPANY
ABANDONMENT EXEMPTION
IN TULARE COUNTY, CA
(BETWEEN STRATHMORE AND JOVISTA)**

PROTEST

INTRODUCTION

Pursuant to 49 CFR § 1152.25(a)(1) and the Board's decision served March 10, 2008, the Tulare County Economic Development Corporation and Tulare County Association of Governments (jointly referred to as "Tulare County") protests the application for authority to abandon a 30.57 mile rail line in Tulare County, California ("Line"), filed by the San Joaquin Railroad Company ("SJVR") on February 19, 2008. The Board should deny the application because the petition fails to provide sufficient information to permit it to adequately assess the Line's future financial viability or the burden that continued operation of the Line would impose on the carrier, shippers on other lines that are dependent on its service and interstate commerce. The petition, moreover, fails to demonstrate that public convenience and necessity require or permit the proposed abandonment. Finally, the petition also fails to adequately address environmental impacts.

REQUIRED INFORMATION

Pursuant to the requirements 49 CFR § 1152.25(a)(1), Tulare County submits the following information:

(i) Protestants are Tulare County Economic Development Corporation, whose address is 4500 S Laspina Street, Tulare, CA 93274 (a non-profit public-private regional economic development organization) and Tulare County Association of Governments, whose address is 5961 S. Mooney Boulevard, Visalia, CA 93277 (a Metropolitan Planning Agency comprised of the County of Tulare and eight incorporated cities)

(ii) The Tulare County Economic Development Corporation has, since 1983, served as the marketing and business recruitment organization for the communities of Tulare County, California, locating more than 100 companies in the County and creating over 13,000 new jobs. This activity has resulted in the investment of \$350 million dollars in the local economy. The EDC is governed by a Board of Directors comprised of representatives from local communities, private sector leaders and other organizations allied to create jobs in the region. The EDC provides a seamless response system for economic development within the region by providing marketing, public relations, business attraction, professional consultation on business location and regional collaboration services to Tulare County, California, businesses and communities. The Tulare County Association of Governments ("TCAG"), for whom the EDC delivers many of its services, is made up of the five Tulare County Supervisors, an elected official from each incorporated city, three at-large representatives, and a representative from California Department of Transportation (Caltrans). TCAG is responsible for overseeing and planning projects that do not always recognize man-made boundaries – issues such as transportation planning and air quality.

(iii) Tulare County opposes SJVR's application because the petition fails to provide sufficient information for the County to assemble a responsible Offer of Financial Assistance ("OFA"), providing inaccurate and incomplete data. Moreover, the abandonment will adversely affect the ability of the Tulare County, California to compete economically when it already has some of the highest unemployment (9.2% for the 1st Quarter of 2008, compared to 8.5% in the last quarter and 4.8% nationally) and worst poverty (highest in the state at 23.9% in 2000) in the nation. Finally, the proposed abandonment will have an adverse impact on the County's future ability to achieve air quality attainment, the area currently suffering from being in a serious non-attainment status (for PM_{2.5} or particulate matter of 2.5 microns in diameter or smaller and

Ozone – 8 Hours) More detail on each of these reasons may be found in the *Additional Information* and *Rebuttal* sections of this protest.

(iv) The Petition for Exemption is inaccurate and misleading in many cases and lacks essential details in others. These problems, which include failure to properly describe the abandonment, failure to disclose vital information on surcharges intended to drive away business and failure to identify potential revenue sources, are detailed in the *Rebuttal* section of this protest.

(v) Should the Surface Transportation Board approve SJVR's Petition for Exemption, and it's OFA (see *Additional Information* section of this Protest) be rejected, the Tulare County Association of Governments ("TCAG") intends to file a request for a public use condition under 49 U.S.C. 10905. Tulare County also hereby specifically requests a trail use condition under 16 U.S.C. 1247(d). TCAG is, in order to establish interim trail use and rail banking under 16 U.S.C. 1247(d) and 49 CFR 1152.29, willing to assume full responsibility for management of, for any legal liability arising out of the transfer or use of (unless the user is immune from liability, in which case it need only indemnify the railroad against any potential liability), and for the payment of any and all taxes that may be levied or assessed against the right-of-way owned by Union Pacific Railroad and operated by the San Joaquin Railroad. The property, known as South Exeter Branch, extends from railroad milepost 268.60 near Strathmore, to railroad milepost 299.17, near Jovista, a distance of 30.57 miles in Tulare County, California. The right-of-way is part of a line of railroad proposed for abandonment and described in Docket No. STB AB-398 (Sub-No. 7X). A map of the property depicting the right-of-way is attached (Attachment 2) and a \$200 filing fee is enclosed. TCAG acknowledges that use of the right-of-way is subject to the user's continuing to meet its responsibilities described above and subject to possible future reconstruction and reactivation of the right-of-way for rail service. A copy of this statement is being served on the railroad(s) on the same date it is being served on the Board.

ADDITIONAL INFORMATION

Pursuant to the requirements 49 CFR § 1152.25(a)(1), Tulare County submits the following additional information:

(i) Tulare County intends to make an Offer Financial Assistance under 49 U.S.C. 10904, following approval of any Petition for Exemption or Application for Abandonment, provided the Board is able to first ensure SJVR makes available the full and accurate information required to ascertain operating costs, repair track and acquire its interests. Such information is currently lacking.

(ii) There will be adverse environmental impacts from the abandonment of this Line. Tulare County is now in "severe nonattainment" for ozone and in nonattainment for particulate matter much of which is from the on-road truck fleet. The federal government can withhold funding from a region that is in nonattainment and fails to meet the conformity requirement. However, TCAG works closely with the San Joaquin Valley Air Pollution Control District to reduce pollution through planning. TCAG also makes use of funds available through the Congestion Mitigation and Air Quality program, the Federal Transit Administration and the Air District's Reduce Motor Vehicle Emissions (REMOVE) program to reduce pollution. TCAG is, for the same reason, committed, under the *Tulare County Regional Transportation Plan*, to maintain rail service as a means of reducing truck traffic and maintaining air quality while accommodating essential future economic development to address its very serious unemployment and poverty problems.

Indeed, the San Joaquin Valley Air Pollution Control District, together with affected nearby cities and other governmental entities, has already expended some \$14.2 million to replace about 47 miles of rail in 2002–2003, along with two miles of siding, 50,000 wooden ties and 50,000 tons of ballast on adjoining portions of the SJVR. Work also was done to upgrade 30 switches, 40 crossings and eight bridges, and to surface that rail corridor, much of which was then impassable and even without rail, to handle heavier freight cars, all as part of an air pollution control project. Similar smaller projects continue to take place on other parts of the SJVR, demonstrating both a commitment to rail as a solution to accommodating growth while reducing air pollution and a source of funds for upgrading the Line in question – a source that was not disclosed and that seriously undermines the SJVR arguments with respects to funding railroad rehabilitation and opportunities for future growth.

Tulare County cannot develop economically without air quality friendly rail. A 1996 study of the California I-40 corridor found that "goods moved by rail produce lower emissions,

except for NOx, which is slightly higher for rail" (and not an issue with respect to attainment in Tulare County) "The factor decrease of other pollutants ranges from 2.49 to 8.50, which is consistent with other recent studies. Given the amount of pollutants produced by trucks, shifting some of the freight from trucks to rail with a greater emphasis on intermodal business should reduce the total freight emissions" and this is part of the County's plan. The *Tulare County Regional Transportation Plan* establishes a goal of "support(ing) continued improvement of freight rail service and freight transfer points within Tulare County (giving) special consideration to transportation programs that improve the operational efficiency of goods movement and air quality."

Many of the available industrial sites in Tulare County are located along the Line or consist of existing buildings on the Line that can be reoccupied by rail users. There are also new and existing businesses that have used rail in the past or have indicated a strong desire to use rail in the future if service was provided. Indeed, the line had 80 cars as recently as 2004, according to SJVR, but all business was discouraged by the imposition of a \$900 per car surcharge in June, 2000. This surcharge was lifted in 2002 for at least some portions of the line and then, effective April 21, 2006, a \$950 surcharge was imposed south of Lindsay and including Terra Bella (all of the Line in question), effectively discouraging all rail business developing opportunities. A copy of the SJVR Freight Tariff pertaining to Surcharges (Attachment 3) is attached.

Among the businesses on the Line that used rail in 2004 or have expressed a desire to use rail without the prohibitively expensive and rail use depressing \$950 surcharge are Britz Fertilizer (formerly Cannella Chemical and employing 20 persons), Sierra Forest Products (140 employees), Tri-K-Truss (9 employees) and Tuff Stuff (10 employees). Evidentiary letters of support from these companies and others are attached. There are also numerous vacant industrial sites in Porterville, Ultra and Terra Bella. Developing and growing these existing businesses along the Line will allow Tulare County to grow jobs without growing air pollution, both of which are essential given its non-attainment, high unemployment and high poverty current situation. SJVR has forsaken this business for another – the opportunity to use a portion of the branch, just north of the beginning of the abandonment (which starts at MP 268.60 and continues south) but below the last customer on a related abandonment (Docket AB 398, Sub-No. 8X), for storage of boxcars. There are now some 200 boxcars stored on this section and presumably

earning significant revenue for the SJVR (see photo attached) but also block access to the Line in question and prevent service to these and other customers. The \$950 surcharge, moreover, ensures these customers won't request such service.

(iii) The proposed abandonment of this line of railroad by the SJVR will have substantial adverse effects on Tulare County from a rural and community development perspective that goes well beyond the environmental impacts and the opportunity to grow business without aggravating air pollution. Tulare County has long had a severe employment problem. The *Local Workforce Investment Area Strategic Five-Year Local Plan* states "historically, Tulare County has exhibited a double-digit unemployment rate. During the period 1983 through 2001, the County unemployment rate varied from a high of 17.7% to 10.4%. The period average was 14.4%. Year 2000 Census information shows Tulare County with the highest poverty levels in the state at 23.9%. In 2001, the Catholic Campaign for Human Development listed Tulare County as the sixth poorest county in the United States (population above 250,000) with a poverty rate of 24.2%. Only one other county in California exceeded Tulare's rate in 2001—Fresno County with a 25.5% rate. Of the 89,950 families in the County, 17,723 are in poverty."

The rail infrastructure through this section of Tulare County is particularly important to addressing rural and community development, which largely consists of job creation. Tuff Stuff is an example of a new business that has recently moved into a vacant industrial building on that portion of the Line along the spur to Ultra. It reprocesses plastics and already employs 10 persons, needing rail to further grow the business. There are also several vacant industrial properties along the rail. Attached is a zoning map for Porterville showing parcels adjacent to the railroad and including large blocks of M-1 (Manufacturing) property along the Line. The City of Porterville, which is the largest community affected by the proposed abandonment of this Line of railroad, also happens to have the highest unemployment rate in the County compared to other cities (currently 8.4%, compared 7.8% in Tulare and 5.6% in Visalia).

REBUTTAL

The following additional problems exist with respect to SJVR's Petition for Exemption to abandon this Line of Railroad:

(i) It appears there are no customers at the actual end of the track who have recently used rail or could be expected to have potential to use rail. The last customer on the Strathmore - Jovista line segment appears to be at MP 287 10 (actually the point at which the Ultra spur takes off to the north to serve Britz Fertilizer) and the end of track is MP 299 17. Because there are no customers beyond that point that would have an interest in using rail regardless of the surcharge and there is little realistic potential for industrial development at this rural end of the Line, SJVR should have considered bifurcating the proposed abandonment at Ducor (MP 287 10) where the spur to Ultra connects (two of the potential shippers who would use rail absent the prohibitively expensive surcharge are located at the end of that spur). This would have allowed funds realized from salvage to be put back into rehabilitating the remaining portions of the line. Inspections of the line by Tulare County consultants indicate relatively little such work would be required on this section compared to the section below Ducor, but SJVR has provided no meaningful data to gauge the difference in track conditions along the line, a serious deficiency in the Petition that makes preparation of an OFA particularly difficult. Moreover, overall rehabilitation and ongoing maintenance costs would be reduced not only with respect to general track maintenance, but also possibly in bridge rehab/maintenance and automated crossing signal inspections and maintenance, assuming a viable volume of business could be generated with a substantial reduction of the \$950 surcharge.

(ii) SJVR has arbitrarily established the beginning of this abandonment at MP 268 60, while the last shipper on the connecting line (Tulare Frozen Foods) is actually at MP 264 10 (this shipper is not subject to the surcharge and is experiencing significant increases in traffic, suggesting what can happen with a prohibitively expensive freight rate). The intervening 4.5 miles has no customers but is the site of some 200 stored Union Pacific boxcars that are presumably generating either revenue, reduced rent or some other form of compensation for SJVR that should be reflected in either revenue or reduced opportunity costs. Boxcar storage is a traditional source of revenue for short line railroads and has typically generated a minimum of \$1.00 per day per car plus switching charges in the range of \$125 to \$150. That revenue has been arbitrarily excluded from being attributed to the Line in question. Had it been attributed to this Line and combined with the aforementioned sources of capital for rehabilitation (air quality funding used on other SJVR lines and salvage of the track below MP 287 10) the economics of

restoring rail service and building business (as was done by SJVR on the other lines), would be greatly improved

(iii) It is unclear exactly what track is included in the Petition for Exemption. The map submitted (Exhibit A) does not depict the line between Ducor and Ultra (which can only be accessed from this SJVR Line), yet the Petition lists at least one customer on this spur, citing Britz Fertilizer as being at MP 287 10, while it is actually located in Ultra at the end of the spur. Moreover, the 30 57 miles of railroad discussed in the text is, obviously, only the distance from Strathmore (MP 268 60) to Jovista (MP 299 17) This leaves in doubt what track is included, what track is not and how all operating costs are calculated. There is, therefore, wholly inadequate information to determine who is responsible for the spur and what costs are attributable to it versus the remainder of the Line The SJVR website system diagram map (see www.railamerica.com/railmaps/SJVR.htm) clearly depicts the spur Absent this information, it is impossible to accurately gauge operating costs for purposes of evaluating SJVR's costs and valuations or to construct an Offer of Financial Assistance None of SJVR's materials address this spur, its business potential (except for the mention of Britz Fertilizer) or the implications of its effective abandonment.

(iv) Page 77 of the Petition states "the line is excepted track," implying the entire railroad Page 6, however, refers to returning "excepted portions of the line to FRA Class I conditions " It is, therefore, not clear if the entire railroad is excepted or just parts of it More data is required (e g track inspection data) to know It is also suggested some \$1,327,920 in capital expenditures will be required to rehabilitate the Line to Class I Yet, SJVR has not mentioned the financial resources already used on connecting lines and described above that would also be available here with a commitment to rail service

(v) Page 78 of the Petition addresses crossing signal expenses Other shortline railroads have pursued authority to eliminating automatic warnings and going to stop and flag procedures to reduce costs Neither this potential cost-saving nor others (e.g , using the same crew to run trains and maintain the track, reducing track inspections commensurate with traffic) were considered

(vi) This line and another proposed abandonment (Docket AB 398, Sub-No 8X) are end to end They are effectively one railroad from an operational perspective and a typical day

of operation would involve one crew serving both segments for the entire line from Exeter to Strathmore to Jovista. However, SJVR claims a locomotive lease expense of \$114/day against both lines, indicating costs are arbitrarily inflated in some cases by the pretense that wholly new costs would be involved when, in fact, the additional costs are marginal in nature.

(vii) The SJVR has wholly neglected the impact of the \$950 surcharge referenced earlier. It was, effectively, a restoration of an earlier rescinded surcharge of similar amount. The reimposition of this prohibitively expensive service effectively ended interest in rail shortly after adoption in April, 2006, the last car shipping in October of that year and allowing connecting track north of the Line to then be stacked with 200 stored boxcars. This on and off again, prohibitively expensive, railroad use depressing freight rate, combined with the uncertainty of continued service has prevented any commitment to rail or investment in rail sidings.

CONCLUSION

For the foregoing reasons, Tulare County respectfully requests the Board deny SJVR's application to abandon the Line. It has supplied incomplete and inaccurate information and failed to consider the economic and environmental impacts of this proposed abandonment on Tulare County which suffers from some of the worst air quality, highest unemployment and greatest poverty in the State of California.

Dated March 26, 2008

Respectfully submitted for,

**Tulare County Economic Development Corporation
4500 S. Laspina Street
Tulare, CA 93274**

AND

**Tulare County Association of Governments
5961 S. Mooney Boulevard
Visalia, CA 93277**



**Paul Saldana,
President and Chief Executive Officer
Tulare County Economic Development Corporation**

ATTACHMENTS

- 1 – Letters from potential rail users and other affected parties**
- 2 – SJVR system map showing Ultra Spur and area proposed for trail use**
- 3 – SJVR surcharge tariff**
- 4 – Map of City of Porterville industrial sites along rail**
- 5 – Photograph of stored boxcars blocking line**

ATTACHMENT 1



SIERRA FOREST PRODUCTS

March 27, 2008

Anne K. Quinlan, Acting Secretary

Surface Transportation Board

395 E Street, SW, Suite 1149

Washington, DC 20024

RE: Docket No. AB-398 (Sub-No. 7X) San Joaquin Valley Railroad Company – Abandonment
Exemption – Tulare County, CA (between Strathmore & Jovista)

Dear Acting Secretary Quinlan:

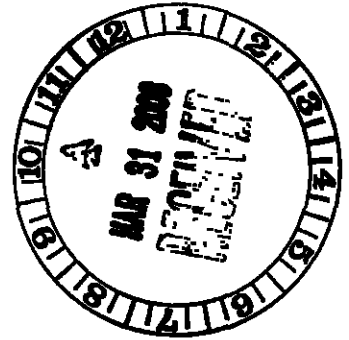
Our company is located along the above referenced rail line. We object to the abandonment as proposed. We have used this rail line until such time that the San Joaquin Valley Railroad imposed a surcharge on the line making it cost prohibitive. We shipped 120 cars per year until the surcharge was imposed. We would use the rail line again if the surcharge was lifted.

If you have any questions regarding our use or potential use of rail, please contact us at (559) 535-4893.

Sincerely,

Doug Hanson

Sierra Forest Products



FIVE POINTS

FIREBAUGH

HANFORD

BAKERSFIELD

STOCKTON

Britz Fertilizers, Inc.

P.O. Box 60011 • Fresno CA 93794-6011
Tel. (559) 448-8000 • Fax (559) 448-8020

IPAVE

PANIER

MADEIRA

TERRA BELLA

SANTA MARIA

March 27th, 2008

**Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW, Suite 1149
Washington, DC 20024**

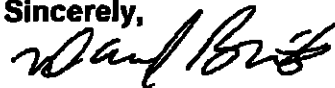
**RE: Docket No. AB-398 (Sub-No. 7X) San Joaquin Valley Railroad
Company – Abandonment Exemption – Tulare County, CA (between
Strathmore & Jovista)**

Dear Acting Secretary Quinlan:

Our company is located along the above referenced rail line. We object to the abandonment as proposed. We have used this rail line until such time that the San Joaquin Valley Railroad imposed a surcharge on the line making it cost prohibitive. We purchased our facility along the line with the storage and use of the railroad in mind. After two months of operation and 10 cars delivered, the surcharge made future deliveries cost prohibitive. We would use the rail line again if the surcharge was lifted.

If you have any questions regarding our use or potential use of rail, please contact us at Attention: David Britz, Britz Fertilizers, Inc., 3265 W. Figarden Drive, Fresno, CA 93794.

Sincerely,



**David Britz
President**



TUFF STUFF PRODUCTS™, Inc.

9600 Road 256
Terra Bella, CA 93270
WWW.TUPFTUBS.COM

TEL: 559-535-5778
FAX: 599-535-5786

E-MAIL: CustomerCare@tufftubs.com

March 26, 2008

Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street, SW, Suite 1149
Washington, DC 20024

RE. Docket No. AB-398 (Sub-No. 7X) San Joaquin Valley Railroad Company
– Abandonment Exemption – Tulare County, CA (between Strathmore & Jovista)

Dear Acting Secretary Quinlan:

Our company has moved to this location in August of 2007, along the above referenced rail line. The fact of the rail spur coming into the building was one decisive factor for our move. We will be manufacturing plastic pellets and it has to move in bulk by rail, as a preferred method of cost effective transportation. Currently the palletizing line is being setup. We are expecting to be in operation by August of September of 2008.

Also, other finished products coming to our plant have to come by rail.

If the rates are competitive and we can get the reliable rail services, our company could use between 10 – 20 carts per month.

Although we are not currently using the rail at present, it is in our intermediate plan to incorporate the rail services to our logistics. I cannot stress enough the importance of a competitive rail services to keep us competitive in this Global market.

Therefore, we emphatically object to the abandonment as proposed. Our company is interested in using a competitive rail services. Furthermore we object the surcharge and non-interest of San Joaquin Valley Railroad in improving the line, which we understand, have made it cost prohibitive.

If you have any questions regarding our use or potential use of rail, please contact us at 559-535-5778 ext 30.

Sincerely,

Max Lee
General Manager
Tuff Stuff Products, Inc.

**BEFORE THE
TULARE COUNTY ASSOCIATION OF GOVERNMENTS
COUNTY OF TULARE, STATE OF CALIFORNIA**

In the matter of:

OPPOSING ABANDONMENT)	
OF A RAILROAD FEEDER LINE)	
BETWEEN EXETER AND THE)	Resolution No 08-020
KERN COUNTY LINE BY THE)	
SAN JOAQUIN VALLEY RAILROAD)	

WHEREAS, the San Joaquin Valley Railroad, a subsidiary of RailAmerica, Inc., provides freight rail service between Exeter and the Kern County line (Jovista) on the Exeter Branch feeder line in southern Tulare County; and

WHEREAS, on February 19, 2008, the San Joaquin Valley Railroad submitted an application (Surface Board of Transportation Docket No. AB-398 (Sub-No. 7X)) to abandon a 30.57 mile rail line between Strathmore, milepost 268.60 and Jovista, milepost 299.17; and

WHEREAS, on February 28, 2008, the San Joaquin Valley Railroad submitted an application (Surface Board of Transportation Docket No. AB-398 (Sub-No. 8X)) to abandon a 9.20 mile rail line between Exeter, milepost 259.40 and Strathmore, milepost 268.60; and

WHEREAS, Tulare Frozen Foods, successor in interest to Lindsay Foods International, has successively increased its use of the northern portion of the feeder line located at milepost 264.1 from 39 carloads in 2005 to 67 carloads in 2006 to 79 carloads in 2007 and plans to ultimately ship 150 carloads per year; and

WHEREAS, while the feeder line south of milepost 264.1 was not used in 2007, the abandonment of the line would preclude future use by historical users which include Tri K Truss, Sierra Forest Products and Britz Fertilizer; and

WHEREAS, the abandonment of the Exeter Branch feeder line would leave the Cities of Lindsay and Porterville and the communities of Strathmore, Terra Bella, Ducor, Richgrove and others in southern Tulare County (comprising a population of over 80,000 people) without any rail service; and

WHEREAS, the absence of rail service will adversely affect current industry and air quality, requiring shipment by truck and will make the southern Tulare County region less attractive for the development of future industry; and

WHEREAS, the abandonment of the Exeter Branch feeder line would preclude any future potential uses of the rail line such as commuter rail service; and

WHEREAS, the TCAG Board is opposed to the loss of any freight rail service in Tulare County on the grounds that such rail service is a vital link in transporting goods from farm to market.

NOW, THEREFORE, BE IT RESOLVED THAT

- 1) The Board hereby opposes the abandonment and abandonment exemptions of the entire 39.77 mile Exeter Branch feeder line between Exeter, milepost 259.40 and Jovesta, milepost 299.17 by the San Joaquin Valley Railroad.

The foregoing Resolution was adopted upon the motion of Member McKinley, seconded by Member Martinez, at a regular meeting on the 17th day of March, 2008, by the following vote:

AYES: Ishida, Conway, Cox, Worthley, Ennis, McKittrick, Allwardt, Santana, Kimball, Martincz, Ortega, Link, Ritchie, McKinley, Jaramillo

NOES:

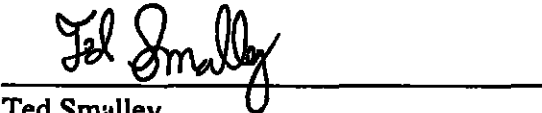
ABSTAIN: Zimmerman

ABSENT:

TULARE COUNTY ASSOCIATION OF GOVERNMENTS



Allen Ishida
Chair, TCAG



Ted Smalley
Executive Director, TCAG

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

**IN THE MATTER OF THE)
ABANDONMENT OF 30.37 MILES OF) RESOLUTION NO. 2007-0763
RAIL LINE BETWEEN STRATHMORE,)
CA AND JOVISTA, CA)**

WHEREAS, the San Joaquin Valley Railroad Company intends to file a petition to abandon a 30.37-mile piece of rail line in Southeastern Tulare County, and

WHEREAS, the proposed abandonment begins in Strathmore, CA as the northern point and ends at the Tulare County line in the South; and

WHEREAS, this is the only available rail line in Southeastern Tulare County, leaving many businesses without the ability to move goods on the rail line. The communities of Ducor, Richgrove, Strathmore, and Terra Bella and the City of Porterville will lose rail service, and

WHEREAS, the absence of rail service will adversely affect businesses in this region by disrupting their operations This will likely force them to move their goods by truck, and

WHEREAS, an increase in truck traffic will negatively affect Tulare County's air quality. Goods that were previously shipped by rail will now be trucked to their locations, and

WHEREAS, increased truck traffic will harmfully affect the region's air quality and place added strain on local streets, roads, and highways

NOW, THEREFORE, BE IT RESOLVED, that the Tulare County Board of Supervisors opposes the abandonment of 30 37 miles of rail line along the San Joaquin Valley Railroad

UPON MOTION OF SUPERVISOR WORTHLEY, SECONDED BY SUPERVISOR ENNIS, THE FOLLOWING WAS ADOPTED BY THE BOARD OF SUPERVISORS, AT AN OFFICIAL MEETING HELD NOVEMBER 6, 2007, BY THE FOLLOWING VOTE.

AYES	SUPERVISORS ISHIDA, CONWAY, COX, WORTHLEY AND ENNIS
NOES	NONE
ABSTAIN	NONE
ABSENT	NONE



ATTEST JEAN ROUSSEAU
COUNTY ADMINISTRATIVE OFFICER
CLERK, BOARD OF SUPERVISORS

BY:

Louise A. Ybema
Deputy Clerk

The Board of Supervisors.

Adopted a resolution opposing the abandonment of a 30 37 mile segment of rail line between Strathmore, CA and Jovista, CA

CAO

DAY
11/08/07

RESOLUTION 08-12

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TULARE
OPPOSING ABANDONMENT OF A RAILROAD FEEDER LINE
BETWEEN EXETER AND THE KERN COUNTY LINE BY THE SAN
JOAQUIN VALLEY RAILROAD**

WHEREAS, the San Joaquin Valley Railroad, a subsidiary of RailAmerica, Inc., provides freight rail service between Exeter and the Kern County line (Jovista) on the Exeter Branch feeder line in southern Tulare County; and

WHEREAS, on February 19, 2008, the San Joaquin Valley Railroad submitted an application (Surface Board of Transportation Docket No. AB-398 (Sub-No. 7X)) to abandon a 30.57 mile rail line between Strathmore, milepost 268.60 and Jovista, milepost 299.17; and

WHEREAS, on February 28, 2008, the San Joaquin Valley Railroad submitted an application (Surface Board of Transportation Docket No. AB-398 (Sub-No. 8X)) to abandon a 9.20 mile rail line between Exeter, milepost 259.40 and Strathmore, milepost 268.60; and

WHEREAS, Tulare Frozen Foods, successor in interest to Lindsay Foods International, has successively increased its use of the northern portion of the feeder line located at milepost 264.1 from 39 carloads in 2005 to 67 carloads in 2006 to 79 carloads in 2007 and plans to ultimately ship 150 carloads per year; and

WHEREAS, while the feeder line south of milepost 264.1 was not used in 2007, the abandonment of the line would preclude future use by historical users which include Tri K Truss, Sierra Forest Products and Britz Fertilizer; and

WHEREAS, the abandonment of the Exeter Branch feeder line would leave the Cities of Lindsay and Porterville and the communities of Strathmore, Terra Bella, Ducor, Richgrove and others in southern Tulare County (comprising a population of over 80,000 people) without any rail service; and

WHEREAS, the absence of rail service will adversely affect current industry and air quality, requiring shipment by truck and will make the southern Tulare County region less attractive for the development of future industry; and

WHEREAS, the abandonment of the Exeter Branch feeder line would preclude any future potential uses of the rail line such as commuter rail service; and

WHEREAS, the City of Tulare is opposed to the loss of any freight rail service in Tulare County on the grounds that such rail service is a vital link in transporting goods from farm to market.

NOW, THEREFORE, BE IT RESOLVED THAT the City Council of the City of Tulare hereby opposes the abandonment and abandonment exemptions of the entire 39.77 mile Exeter Branch feeder line between Exeter, milepost 259.40 and Joveista, milepost 299.17 by the San Joaquin Valley Railroad.

PASSED, APPROVED, AND ADOPTED this 18th day of March, 2008.



President of the Council and Ex-Officio
Mayor of the City of Tulare

ATTEST:

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss.
CITY OF TULARE)

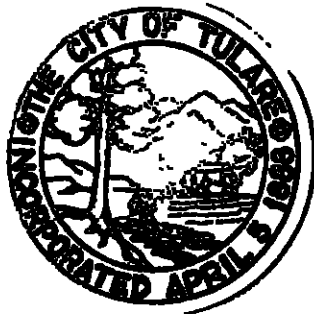
I, Darrel L. Pyle, City Clerk of the City of Tulare, certify the foregoing is the full and true Resolution 08- 12 passed and adopted by the Council of the City of Tulare at a regular meeting held on March 18, 2008, by the following vote:

Aye(s) Richard Ortega; David Macedo; Phil Vandegrift; Craig Vejvoda
Noe(s) N/A Abstention(s) Carlton Jones (Absent)

Dated. 3/19/08

DARREL L. PYLE, CITY CLERK

By Roxanne Yoder, Chief Deputy



RESOLUTION NO 2007-97

RESOLUTION OF THE VISALIA CITY COUNCIL OPPOSING THE PROPOSED
ABANDONMENT OF A 30 37 MILE SEGMENT OF RAILLINE LOCATED BETWEEN
STRATHMORE AND JOVISTA IN TULARE COUNTY, CALIFORNIA
(SURFACE TRANSPORTATION BOARD DOCKET NO. AB-398 -Sub-No 7X)

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

WHEREAS, the San Joaquin Valley Railroad Company intends to file a petition to abandon a 30 37-mile segment of rail line in Southeastern Tulare County, and

WHEREAS, the proposed abandonment begins in Strathmore, CA as the northern point and ends at the Tulare County line to the South (known as Jovista, CA), and

WHEREAS, as this is the only available rail line in Southeastern Tulare County, abandonment would leave many businesses without the ability to move goods on the rail line. The communities of Ducor, Richgrove, Strathmore, and Terra Bella and the City of Porterville will lose all rail service, and

WHEREAS, the absence of rail service will adversely affect businesses in this region by disrupting their operations; this will likely force them to move their goods by truck and will adversely affect regional air quality in an area that already suffers from poor air quality, and

WHEREAS, increased truck traffic will place significant additional traffic on local streets, roads, and highways resulting in increased traffic congestion and long term maintenance costs; and

WHEREAS, the loss of rail transportation will significantly and negatively impact our local economy by eliminating a viable option for movement of goods and agricultural products, and

WHEREAS, this rail corridor is a significant regional resource and its loss would be irretrievable

NOW, therefore be it resolved that the Visalia City Council hereby opposes the abandonment of 30 37 miles of rail line along the San Joaquin Valley Railroad and urges the Surface Transportation Board to deny the request for abandonment

PASSED AND ADOPTED 11/19/07

STEVEN M SALOMON, CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF TULARE) ss
CITY OF VISALIA)

I, Steven M Salomon, City Clerk of the City of Visalia, certify the foregoing is the full and true Resolution 2007- 97 passed and adopted by the Council of the City of Visalia at a regular meeting held on November 19, 2007

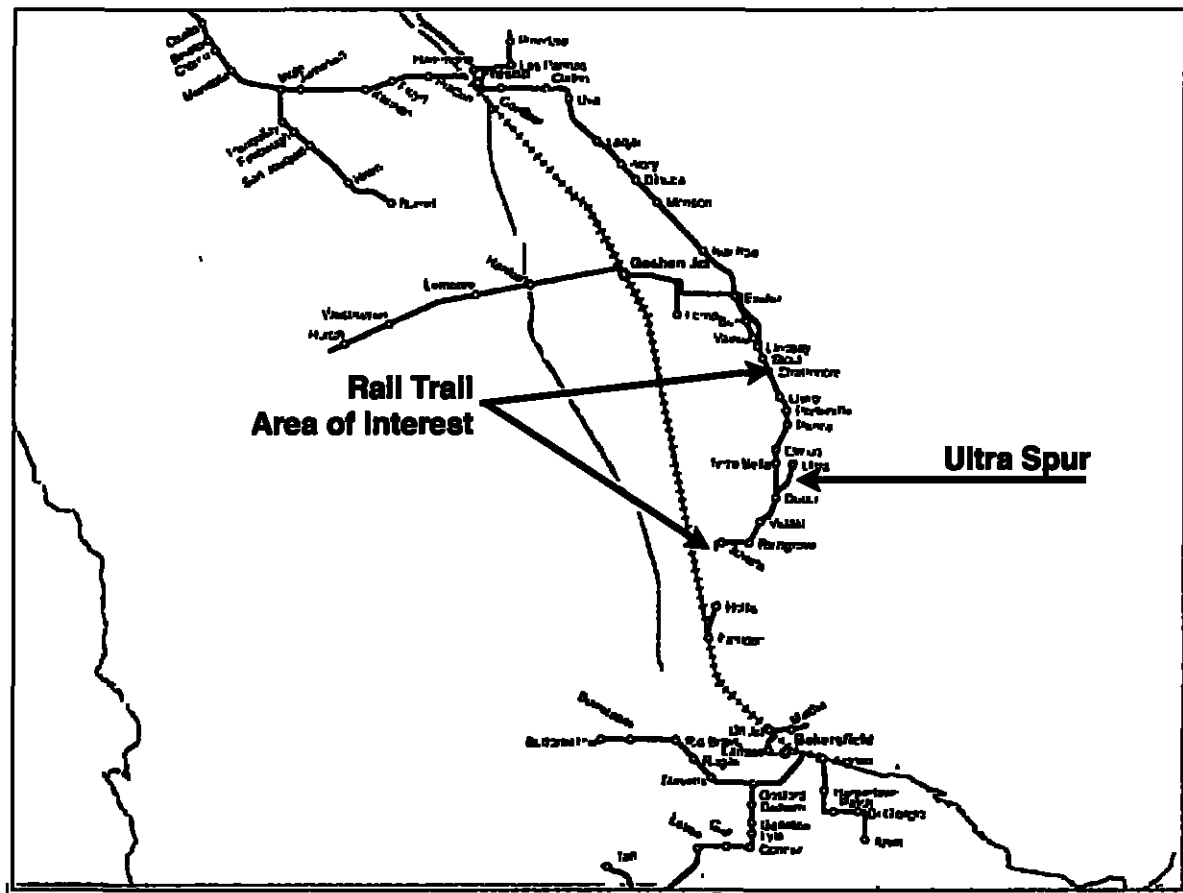
Dated: November 26, 2007

STEVEN M. SALOMON, CITY CLERK


By Donja Huffman, Chief Deputy

ATTACHMENT 2

Railroad Map



ATTACHMENT 3

SAN JOAQUIN VALLEY RAILROAD CO.

A RailAmerica Company



Freight Tariff ICC SJVR 8000 - A

**NAMING
SWITCHING AND ACCESSORIAL CHARGES
AT LOCATIONS ON THE SAN JOAQUIN VALLEY RAILROAD CO.**

THIS TARIFF APPLIES ON INTERSTATE TRAFFIC AND INTRASTATE TRAFFIC IN THE STATE OF



NOTICE

THE PROVISIONS HEREIN WILL, IF EFFECTIVE, NOT HAVE A NEGATIVE IMPACT ON THE QUALITY
OF THE HUMAN ENVIRONMENT OR ENERGY CONSUMPTION

FOR GOVERNING CLASSIFICATIONS, SEE ITEM 5

ISSUED NOVEMBER 1, 2005

EFFECTIVE NOVEMBER 1, 2005

ISSUED BY:

SAN JOAQUIN VALLEY RAILROAD CO.

P O BOX 937

EXETER, CA 93221S

SECTION 2 - ACCESSORIAL CHARGES	
ITEM	APPLICATION
455	<p>NOT APPLICABLE ON <u>SJVR</u> - FAILURE TO DELIVER LOAD TO <u>SJVR</u></p> <p>When <u>SJVR</u> delivers a car for loading to a customer, and customer fails to return the loaded car to <u>SJVR</u>, but instead ships the loaded car via another railroad, the customer will pay a charge of \$500.00 for each loaded car not delivered to <u>SJVR</u>.</p> <p>This charge shall not apply to cars ordered and not used as covered in item 460 of this tariff.</p>
460	<p>EMPTY CARS ORDERED AND NOT USED</p> <p>If <u>SJVR</u> receives an order for empty cars, and such order is canceled by the ordering party after such empty car is dispatched in a <u>SJVR</u> train to a shipper, a charge of \$150.00 per car will be assessed to the ordering party.</p>
470	<p>LEASE OF RAILROAD TRACKS FOR STORAGE</p> <p>Tracks of <u>SJVR</u> may be leased to shippers, receivers or private car owners, subject to availability, pursuant to terms and conditions of special agreements. In absence of such agreements, the charge is \$7.00 per YEAR per lineal track foot, subject to a minimum charge of \$100.00. Contact the appropriate Manager of Marketing & Sales regarding the creation of a track lease.</p> <p>Request for lease of tracks for storage must be received in writing by <u>SJVR</u>, stating the amount of track or number of car spots requested and the estimated duration of the storage.</p> <p>Cars placed in storage must be privately owned or free of car hire. Cars held on storage tracks will not be subject to demurrage.</p> <p>Switching cars from the leased storage track to another track will be charged \$123.00 per car for the additional switch.</p>
475	<p>HANDLING EMPTY FREIGHT CARS FOR STORAGE</p> <p>This item applies on all types of rail cars destined for storage on <u>SJVR</u>, including, but not limited to, cars provided by railroads, leased cars and cars bearing other than railroad reporting marks, but not including passenger train cars.</p> <p><u>SJVR</u>'s maximum liability for loss and damage is \$100.00 per railcar (NO LIABILITY WILL BE ASSUMED FOR PAINTING, DEFACING OR VANDALISM)</p> <p style="text-align: center;">AND</p> <p>Flat rate on a last in first out basis is the same as inbound move, and for any other special switching requirement please contact the Manager of Marketing and Sales.</p>

480 SURCHARGES

Surcharges published in this tariff will be additional to the line-haul transportation charge or charges on regulated traffic published in tariffs or other instruments whatsoever as well as deregulated traffic having application from or to stations on the San Joaquin Valley Railroad Co., as shown in item 485

485 The surcharge payments shown below are payable by the shipper or consignor on outbound shipments and receiver or consignee on inbound shipments at San Joaquin Valley Railroad Co. stations on shipments originating or terminating at said stations. These surcharge payments are to be collected by and accrue solely to the San Joaquin Valley Railroad Co. The surcharges established in this item are not freight or other lawful charges within the meaning of section 7 of the uniform bills of lading and the execution of section 7 shall not in any way relieve the shipper/consignor nor receiver/consignee from liability for the payment of the surcharges set forth in this item. When more than one surcharge applies each surcharge will be assessed.

SURCHARGE IN DOLLARS AND CENTS PER CAR**SJVR STATIONS****SURCHARGE EFFECTIVE DATE**

SOUTH OF LINDSAY TO AND
INCLUDING TERRA BELLA

\$950.00 ARIL 21, 2006

LAMONT

\$950.00 MAY 3, 2006

PATCH

\$950.00 MAY 3, 2006

RIBIER

\$950.00 MAY 3, 2006

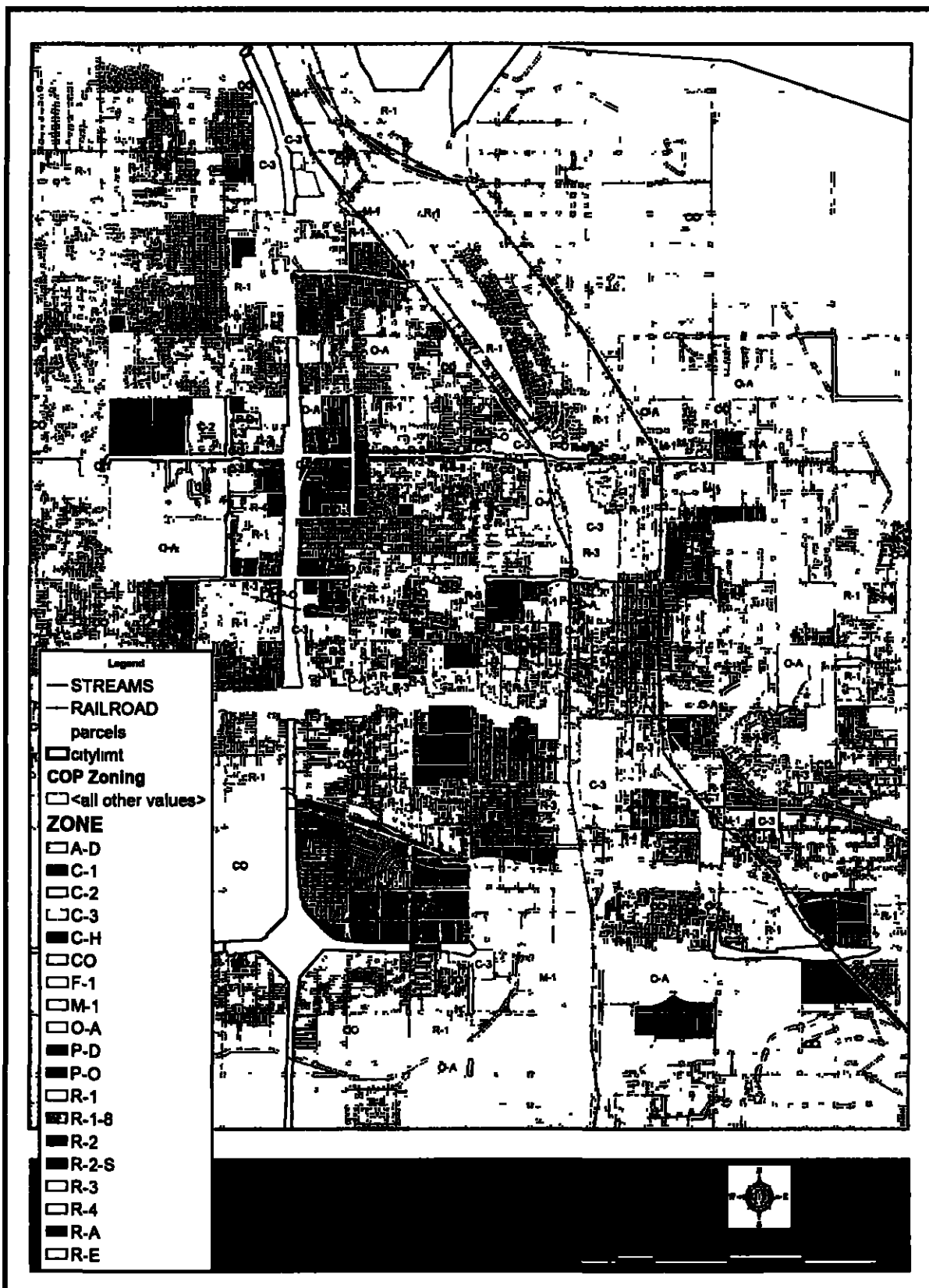
DI GIORIO

\$950.00 MAY 3, 2006

ARVIN

\$950.00 MAY 3, 2006

ATTACHMENT 4



ATTACHMENT 5



CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing Protest was served upon the following entities by overnight mail on March 28, 2008.

Louis E Gitomer
Attorney for San Joaquin Railroad Company
The Adams Building, Suite 301
600 Baltimore Avenue
Townson, MD 21204-4022

Scott G Williams Esq.
Senior Vice President & General Counsel
Rail America, Inc
5300 Broken Sound Boulevard N W
Second Floor
Boca Raton, FL 33487



Paul Saldana,
President and Chief Executive Officer
Tulare County Economic Development Corporation

Date March 28, 2008